

## Meeting record

**Date:** 8 December 2021

**Time:** 3.30 to 4.15 pm

**Purpose:** Tenth meeting of the **Investor Reference Group** for the 2022 rate of return instrument

**Present:** IFM – Josh Crane  
Morgan Stanley – Rob Koh  
OMERS – John Maiolo  
QTC – David Johnston  
ATCO Australia – Allan Hudson  
Spark Infrastructure – Sally McMahon  
State Grid International – Albert Tse, Sandeep Kumar  
AER – Warwick Anderson, Pradeep Fernando, Yuliya Moore

**Apologies:** ATCO Australia – John Ivulich, Hugh Smith  
Ausbil - Paul Johnston  
Australian Super – Daniel Walters, Paul Dawson  
Global Infrastructure Partners – Veeral Kanji  
Magellan – David Costello  
SP Group – Mike Williamson  
AER – Conor McSween

## Meeting notes

- AER staff went through the list of actions from the last IRG meeting, all are complete.
- AER staff provided an update on the final *Rate of return Omnibus paper*:
  - The paper will be published on 9 December and will draw together the key topics on the overall rate of return, equity and debt. The AER briefly outlined the proposed positions in the paper for each of the five priority issues: (1) estimation of the market risk premium, (2) use of the energy infrastructure credit spread index, (3) weighted trailing average return on debt, (4) equity beta and (5) use of cross checks to sense check the overall rate of return.
  - IRG members queried whether the AER will include return on equity when reporting RAB multiples. The AER responded that we have not yet concluded the information to be included.
- AER staff provided an update on the *2021 rate of return annual update*:
  - The paper was published on 3 December and contains an update on data that feeds into rate of return processes. Submissions on the interpretation of data in this update can be made to the *Information paper*.
- AER staff provided an update on the *Information paper* and the 2022 concurrent evidence sessions:

- The paper will be published prior to the end of the year and will include a call for submissions. It will summarise all of the working papers over the past year and half, with focus on 6 priority issues. This paper will be used as a guide for the concurrent evidence sessions next year.
- The sessions will be hosted online on 10 and 17 February. The session topics and experts for each session will be released soon. Submissions on the *Information* paper will be due 3 weeks after the final session on 11 March 2022.
- IRG members queried whether the *Information* paper discusses gamma and asked for an update on the ATO minute. The AER responded that gamma is included in the paper but is not one of the 6 priority issues and that the ATO minute will be published in December.
- IRG members queried whether stakeholders will be able to ask questions to experts during the sessions. The AER responded that this isn't presently envisaged.
- Other:
  - IRG members asked when the nominations for the Independent Panel would be announced. The AER responded that there isn't an estimated timeframe yet.

### **Meeting action items**

- AER staff to:
  - Publish meeting record on AER website
  - Organise next meeting and distribute invites (tentatively scheduled for February).
- IRG members to:
  - Read the final *Omnibus* paper (optional).
  - Read the *2021 rate of return annual update* (optional).
  - Read the *Information* paper once it is published and consider whether a submission will be made in March 2022 (optional).